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CENSUS OF BUSINESS: 1935

VOLUNTARY GROUP AND COOPERATIVE WHOLESALERS

GROCERIES AND RELATED PRODUCTS

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UNITED STATES DEPARTMENT OF COMMERCE
Daniel C. Roper, Secretary

BUREAU OF THE CENSUS
William Lane Austin, Director

CENSUS OF BUSINESS: 1935

VOLUNTARY GROUP AND COOPERATIVE WHOLESALERS
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441

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CENSUS OF BUSINESS: 1935

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Prepared by
John Albright, Chief, Wholesale Distribution

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C O N T E N T S

MAP AND CHARTS

	<u>Page</u>
Map of the United States -- Business of voluntary group and cooperative wholesalers, by states.....	4
Chart I - Sales of voluntary-group wholesalers by geographic divisions.....	17
Chart II - Sales of cooperatives by geographic divisions.....	17

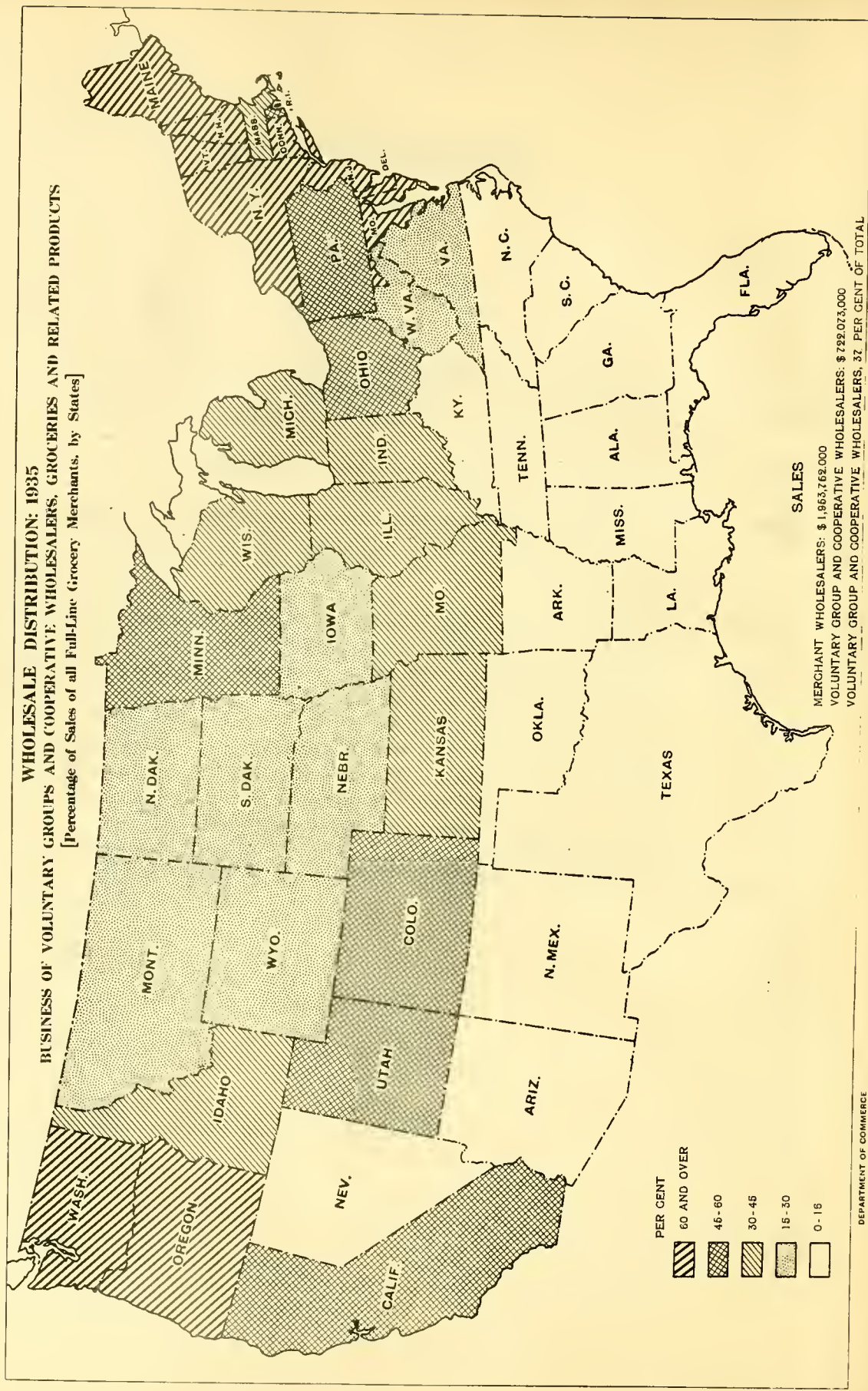
TEXT

Introduction.....	5
Scope of this study.....	6
"Voluntary" and "cooperative" defined.....	6
Grocery trade only.....	7
Identification of cooperatives and voluntaries.....	7
General summary of cooperatives and voluntaries.....	9
Cooperatives and voluntaries compared with other grocery whole-salers.....	12
Geographic distribution of cooperatives and voluntaries.....	14
Degree of cooperation.....	18
Voluntaries.....	18
Cooperatives.....	19
Credit sales.....	19
Operating expenses.....	21
Frequency distribution of operating expenses -- cooperatives.....	21
Business-size groups.....	22
Voluntaries.....	22
Cooperatives.....	23
Expenses analyzed.....	25
Voluntaries.....	25
Cooperatives.....	26
Employment and pay roll.....	27
Voluntaries.....	27
Cooperatives.....	28
Employees by business-size groups -- voluntaries.....	30
Commodity sales.....	33

C O N T E N T S (Continued)

TABLES

	<u>Page</u>
Table 1.--Summary of establishments, sales, expenses, employment, pay roll and stocks.....	11
Table 2.--Comparative study of sales, expenses, personnel, pay roll and stocks.....	13
Table 3.--Geographic distribution of cooperative and voluntary-group wholesalers.....	16
Table 4.--Voluntary-group wholesalers classified according to percentage of 1935 sales to cooperating retailers.....	19
Table 5.--Credit sales.....	21
Table 6.--Frequency distribution of operating expense ratios - Retailer-cooperative warehouses.....	22
Table 7.--Sales, expenses, personnel, pay roll, and stocks by business-size groups.....	24
Table 8.--Analysis of operating expenses by business-size groups - Voluntary-group wholesalers.....	26
Table 9.--Employment and pay roll for week ending October 26, 1935, by occupational groups.....	29
Table 10.--Full-time employees and their pay roll by occupational classes and size of establishment.....	31
Table 11.--Commodity sales.....	35



VOLUNTARY GROUP AND COOPERATIVE WHOLESALERS
GROCERIES AND RELATED PRODUCTS

By John Albright, Chief, Wholesale Distribution

INTRODUCTION

This is one of a series of special reports on Wholesale Distribution, a part of the Census of Business, 1935. The statistics were collected in 1936 by a field canvass of wholesale establishments in every state, city and county in the United States. They cover the operations of wholesalers during the year 1935.

The field canvass was based upon wholesale establishments which are defined, for census purposes, as recognizable places of business where goods are sold in a wholesale manner. Selling in a wholesale manner or on a wholesale basis is selling primarily to retailers, institutions buying in quantities, industrial users and to other wholesale organizations for resale or further processing or business use, rather than for personal or household consumption. No establishments are included in the Wholesale Census unless 50 percent or more of their sales are made at wholesale. The census was taken on an establishment basis in order to facilitate the canvass and to make it possible to present the data by geographic areas. A separate report was secured for each place of business, regardless of whether or not it was owned or operated as a part of a larger business organization.

SCOPE OF THIS STUDY

Many independent traders, particularly in the grocery and drug trades, in order to obtain some of the advantages of centralized ownership or control, have in recent years, organized cooperatively into voluntary groups. Some of the major objectives of such cooperation have been to pool buying power, advertise collectively, and to obtain other benefits of group merchandising. In the 1935 Census of Business the Bureau attempted, for the first time, to measure by means of a field canvass the extent of this evolution in wholesaling. Specifically, each wholesaler was asked, "Is this establishment operated by, operating, or sponsoring a cooperative or voluntary group of retailers?" Where the answer was in the affirmative, the name of the group, the date that the particular establishment became a member and the percentage of the 1935 sales to retail members of the group were called for, in addition to the regular Census of Business inquiries.

"Voluntary" and "Cooperative" Defined.

In order to provide a better understanding of group merchandising of this type, census enumerators were instructed to distinguish between the wholesaler-sponsored group and the retailer-owned or operated warehouse -- informal buying groups without recognizable places of business were not included in the canvass. The wholesaler-sponsored or affiliated group was described, for enumeration purposes, as one in which the wholesaler took the initiative in seeking to bring about a more effective combination of wholesale and retail functions through merchandising affiliations with a selected group of retailers, while a retailer-owned or operated warehouse was described as an establishment functioning as an incorporated wholesale company selling only to members, or as a regular wholesale business, the

ownership and control of which was entirely or largely in the hands of the retailers. The wholesaler-sponsored type where the control rested largely with the wholesaler is hereinafter referred to as a "voluntary-group wholesaler" or as a "voluntary", while the retailer-owned wholesaler, where the policy is determined by the retail members, is called a "retailer-cooperative warehouse" or merely "cooperative".

Cooperatives without warehousing facilities and voluntaries which did not report a common name by which retail members were identified are omitted from this study.

Grocery Trade Only

An examination of the replies to the inquiries outlined above revealed that there was considerable confusion in some trades as to what constituted a voluntary or cooperative group. In the petroleum trade, for example, a number of operators of commission bulk tank stations, stations owned by major oil companies but operated by lessees on a commission basis selling to exclusive dealers, considered theirs as a voluntary business. Likewise, many distributors operating under an exclusive agency or other contractual basis insisted that they sponsored voluntary groups. Due to the irregularities of reporting in some kinds of business and to the small number of such operators in other trades, this study is limited to cooperative and voluntary wholesalers in the grocery trade, the trade where their operations are fairly well defined.

Identification of Cooperatives and Voluntaries

The data given in this report for voluntaries and cooperatives do not agree with those shown in the general reports on Wholesale Distribution for the year 1935. For the purposes of this report all schedules showing any

evidence of group affiliation were reexamined carefully and where doubt existed as to the character of their operations, correspondence was initiated with the respondent. Also, concerns which failed to indicate group affiliation on their reports, but which were listed as voluntaries or cooperatives by agencies familiar with this type of merchandising, were contacted for further information. As a result of the additional facts developed from this correspondence, a number of establishments have been included in this report which were classified as other than voluntaries or cooperatives in Wholesale Distribution, 1935, Volumes I to VIII, inclusive.

While the characteristics of a typical cooperative or voluntary group are objective and easily ascertainable, many groups do not conform closely to the usual conception. Methods of operation differ materially and the degree of cooperation ranges from mere group name to 100 percent group merchandising. The brief amount of information solicited on the Census report and in the follow-up correspondence made it difficult to classify properly some establishments, particularly the border line cases. Lack of uniformity in the use of terms also added to the problems of properly identifying reports to be included and those to be excluded from this study. Due to the rigid selection to which the schedules were subjected and to the fact that some wholesalers may have misinterpreted the questions, it is quite possible that some reports may have been erroneously rejected through lack of proper information. It is felt, however, that the figures contained herein are reasonably complete for the year 1935.

GENERAL SUMMARY

There were 157 cooperative warehouses and 584 voluntary-group wholesale establishments in the grocery trade at the close of 1935. This count of establishments does not include buying groups or other such operators without recognizable places of business but, for wholesale chain organizations sponsoring voluntary groups, each branch or establishment engaged in group merchandising is counted separately.

3/4 Billion Dollar Business.

Net sales of the 157 cooperatives amounted to \$144,054,000 for the year 1935, while the 584 sponsoring establishments reported sales of \$578,019,000. Thus, the combined total business for both types amounted to \$722,073,000. The term, "net sales", as used by the census, represents gross sales less returns and allowances. It includes sales taxes, if any, and receipts obtained from services and other sources in the normal operation of the business.

Operating expenses of the cooperatives for the year 1935 amounted to \$7,475,000 or 5.2 percent of sales. Of this total, \$4,239,000 or 57 percent was in the form of pay roll. Sponsoring establishments incurred expenses of \$58,357,000 or 10.1 percent of sales; \$35,775,000 or 61 percent of which was in the form of pay roll. Pay roll for cooperatives equalled 2.9 percent of sales as compared with 6.2 percent for sponsoring wholesalers.

The cooperatives engaged 2,821 paid employees, while the personnel of the voluntaries consisted of 21,684 paid employees (monthly)

average) and 144 active proprietors and firm members of unincorporated business for whom no compensation is included in pay roll. Average annual sales per employee for cooperatives amounted to \$51,065 as compared with \$26,656 per person engaged by sponsoring wholesalers. Merchandise on hand for resale, cost value, at the end of 1935 amounted to \$14,176,000 or 9.8 percent of sales for cooperatives as compared with \$76,962,000 or 13.3 percent of sales for voluntaries.

From the summary comparison, it is apparent that operating costs per dollar sales are much higher for voluntary group than for retailer-owned wholesalers. As is shown later in this report, the higher costs for voluntaries resulted primarily from added services rendered by them. They, as a rule, have a more liberal credit policy than cooperatives both in terms of amount of credit and from the standpoint of length of credit period. More of them provide delivery services for their retail members. They carry larger stocks including a variety of items, some of which are slow moving. Also, voluntaries employ a larger personnel for an equal volume of sales and rely more on the services of salesmen, usually high salaried employees; hence, they have a higher ratio of pay roll to sales.

Although the higher expenses for voluntaries reflect added services rendered, they also result in part from bookkeeping methods. It was found that many voluntaries treat, for accounting purposes, advertising and sales promotion expenses as a part of their costs even though advertising allowances by manufacturers and contributions by retail members are often made for these aids.

TABLE 1.--SUMMARY OF ESTABLISHMENTS, SALES, EXPENSES,
EMPLOYMENT, PAY-ROLL AND STOCKS

	Retailer- cooperative warehouses	Voluntary- group wholesalers
Number of establishments	157	584
Net sales	\$144,054,000	\$578,019,000
Operating expenses (including pay roll) <u>1/</u>		
Amount	\$7,475,000	\$58,357,000
Percent to sales	5.2	10.1
Number of active proprietors and firm members	---	144
Employees (full-time and part-time) Average for year	2,821	21,684
Pay roll		
Amount	\$4,239,000	\$35,775,000
Percent to sales	2.9	6.2
Stocks on hand, end of year		
Amount	\$14,176,000	\$76,962,000
Percent to sales <u>2/</u>	9.8	13.3

1/ The term operating expenses is used in this report to cover total pay roll and all other costs, including book charges, incurred in the operation of the business, such as administrative, selling, delivery, warehouse, occupancy (rent; maintenance labor; heat, light, power and water; building repairs and supplies; insurance, taxes and depreciation on building; etc.) and "other" expenses. The amount does not include charges to capital accounts, cost of goods sold, income taxes, nor any allowance for net profit. In the case of unincorporated businesses, no compensation is included for the services of proprietors and firm members.

2/ Throughout the study this percentage is obtained by dividing the value of stocks on hand, at cost, at the end of the year by net sales for the year. It should not be considered as a stock-turn figure as one amount is on a cost basis while the other is in terms of selling value.

COMPARED WITH OTHER WHOLESALERS

Cooperative and voluntary groups together accounted for approximately three-eighths (37%) of the business of all full-line grocery merchant wholesalers, of which they are a part, for the country as a whole in 1935. Total net sales of full-service and limited-function wholesalers handling a full line of groceries amounted to \$1,953,762,000. Of this amount, wholesale merchants not sponsoring voluntary groups accounted for 60.2 percent, voluntary-group wholesalers 29.6 percent, cooperatives (see footnote to Table 2) 7.4 percent, cash-and-carry wholesalers 2.6 percent, leaving 0.2 percent for other types.

One of the most significant studies is the comparison of operating costs for the various types of merchants. Expressed as a percent to net sales, operating expenses were highest for sponsoring wholesalers (10.1) followed by non-sponsoring wholesale merchants (8.9). Cooperatives for the country as a whole show slightly higher costs (5.2) than do cash-and-carry depots (4.9). It is significant to note (Table 2) that both pay roll and stock ratios (stocks on hand expressed as a percent to net sales) are, for the various types, consistent with the total expense ratios of which they constitute important elements.

Possible explanations of the higher expenses for voluntaries as compared with non-sponsoring wholesalers may be found in emphasis upon private brands and in the group merchandising costs included in the reported expenses of the sponsors. Group advertising and special services costs are sometimes treated by the sponsors as part of their costs although funds may be collected from retail members to maintain the group activities. Also, the voluntaries are on the average much larger than the merchants not sponsoring groups, \$990,000 annual sales as compared with \$440,000. A study of grocery wholesalers

TABLE 2.--COMPARATIVE STUDY OF SALES, EXPENSES, PERSONNEL,
PAY ROLL AND STOCKS

FULL-SERVICE AND LIMITED-FUNCTION WHOLESALERS OF FULL-LINE GROCERIES

(Table is in two parts - see below)

Type of operation	Number of estab- lish- ments	Net sales		Operating expenses percent to sales	Stocks on hand percent to sales
		Amount (add 000)	Percent of total		
Total	3,833	\$1,953,762	100.0	8.9	12.3
Wholesale merchants	2,676	1,175,839	60.2	8.9	12.3
Voluntary-group wholesalers	584	578,019	29.6	10.1	13.3
Cash-and-carry depots	378	50,605	2.6	4.9	9.6
Retailer-cooperative warehouses*	157	144,054	7.4	5.2	9.8
Other types	38	5,245	0.2	5.3	7.7

TABLE 2 (Continued)

Type of operation	Active proprie- tors and firm members	Employees (full-time and part- time) Avg. for year	Pay roll (add 000)			
			Total amount	% to sales	Full- time	Part- time
Total	1,443	67,563	\$98,077	5.0	\$97,352	\$725
Wholesale merchants	1,234	41,943	56,581	4.8	56,018	563
Voluntary-group wholesalers	144	21,684	35,775	6.2	35,664	111
Cash-and-carry depots	46	1,007	1,327	2.6	1,313	9
Retailer-cooperative warehouse*	—	2,821	4,239	2.9	4,199	40
Other types	19	108	155	3.0	153	2

* For comparison purposes all retailer cooperatives are included in this tabulation, although some of them are more properly classified as short-line houses.

by size (see Wholesale Distribution, 1935, Volume VI, Page 10) shows that the lowest cost ratio is found in the \$200,000 to \$299,999 bracket and that, for the larger establishments, expenses tend to increase with size. In this connection it should not be assumed that higher expenses are necessarily associated with increased group merchandising for, according to Table 4, costs tend to decrease as the degree of sponsorship increases.

The slightly higher expenses as shown for cooperatives as compared with cash-and-carry wholesalers may be due to more services rendered by many of the former. Cooperatives as a whole have a higher stock ratio, higher pay roll in terms of sales and higher annual average salary per employee, \$1,503 as compared with \$1,318. As will be shown later, many of them grant credit and perform other services common to full-service wholesalers.

GEOGRAPHIC DISTRIBUTION

That the group merchandising movement has made most headway in the New England, Middle Atlantic and Pacific Coast States is clearly shown in the map on Page 4 and in Table 3. In the Middle Atlantic Division, consisting of the States of New York, New Jersey and Pennsylvania, establishments identified with such groups accounted for 64.1 percent of all sales of full-service and limited-function wholesalers handling a full-line of groceries, while similar establishments in the Pacific Division accounted for 59.8 percent of the total and in the New England Division 55.4 percent.

The significance of the growth of the movement geographically is further emphasized by the fact that no state south of a line coinciding

with the Virginia—North Carolina boundary westward to include the Utah—Arizona boundary shows as much as 15 percent group merchandising, while every state north of the line, except Kentucky and Nevada, shows more than 15 percent. The northern states with the larger population centers show the highest ratios.

Cooperatives are most numerous in the Middle Atlantic, East North Central and New England Divisions in the order named (see Table 3), while for voluntary groups, the order in 1935 was East North Central, Middle Atlantic, New England and West North Central. The relative importance of each type of group, from the standpoint of sales, is shown graphically in Charts I and II.

A more detailed study than is shown in the tables reveals that from the standpoint of total net sales, California was the leading state for cooperatives, followed by Pennsylvania as a close second. For voluntaries, New York was first, followed in order by Pennsylvania, Illinois, California and Ohio.

The group merchandise movement shows large gains in the big cities of the country. Cooperatives and sponsoring wholesalers together accounted for 52 percent of the sales of all the merchant wholesaler full-line grocery business in the 13 cities of more than 500,000 population (1930), as against only 32.7 percent for the remainder of the country. Voluntaries did 39.9 percent of the total in the largest cities but only 26.7 percent outside, while cooperatives did 12.1 percent of the business in the larger cities but only 6 percent for the remainder of the country.

TABLE 3.--GEOGRAPHIC DISTRIBUTION OF COOPERATIVE
AND VOLUNTARY-GROUP WHOLESALERS

Geographic division	Cooperatives and voluntaries (combined)			Retail-coop. warehouses		Voluntary-group wholesalers	
	Number of estab- lish- ments	Net sales		Number of estab- lish- ments	Net sales (add 000)	Number of estab- lish- ments	Net sales (add 000)
		Amount (add 000)	% of total* for all wholesale merchants				
United States Total	741	\$722,073	37.0	157	\$144,054	584	\$578,019
New England	97	52,796	55.4	20	8,115	77	44,681
Middle Atlantic	169	216,453	64.1	50	41,365	119	175,088
East North Central	151	155,675	43.2	26	20,079	125	135,596
West North Central	91	84,520	34.3	15	19,500	76	65,020
South Atlantic	52	41,522	17.8	14	12,445	38	29,077
East South Central	25	12,483	7.8	6	1,725	19	10,758
West South Central	55	25,528	9.7	4	1,296	51	24,232
Mountain	31	26,830	33.4	4	1,578	27	25,252
Pacific	70	106,266	59.8	18	37,951	52	68,315

* Sales of cooperative and voluntary-group wholesalers combined expressed as a percent of sales of all full-service and limited-function wholesalers handling a full line of groceries.

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		Amount (add 000)	% of total* for all wholesale merchants				
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New England	97	52,796	55.4	20	8,115	77	44,681
Middle Atlantic	169	216,453	64.1	50	41,365	119	175,088
East North Central	151	155,675	43.2	26	20,079	125	135,596
West North Central	91	84,520	34.3	15	19,500	76	65,020
South Atlantic	52	41,522	17.8	14	12,445	38	29,077
East South Central	25	12,483	7.8	6	1,725	19	10,758
West South Central	55	25,528	9.7	4	1,296	51	24,232
Mountain	31	26,830	33.4	4	1,578	27	25,252
Pacific	70	106,266	59.8	18	37,951	52	68,315

* Sales of cooperative and voluntary-group wholesalers combined expressed as a percent of sales of all full-service and limited-function wholesalers handling a full line of groceries.

WHOLESALE DISTRIBUTION: 1935

CHART 1. VOLUNTARY-GROUP WHOLESALERS BY GEOGRAPHIC DIVISIONS
NET SALES, PERCENT OF TOTAL FOR ALL FULL LINE GROCERY MERCHANTS

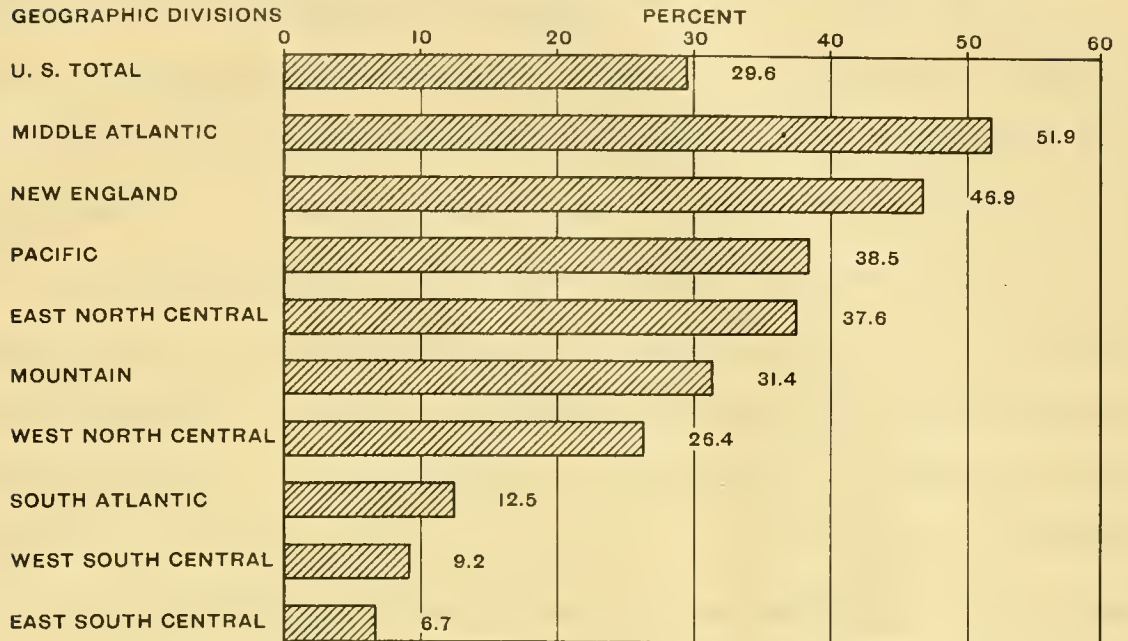
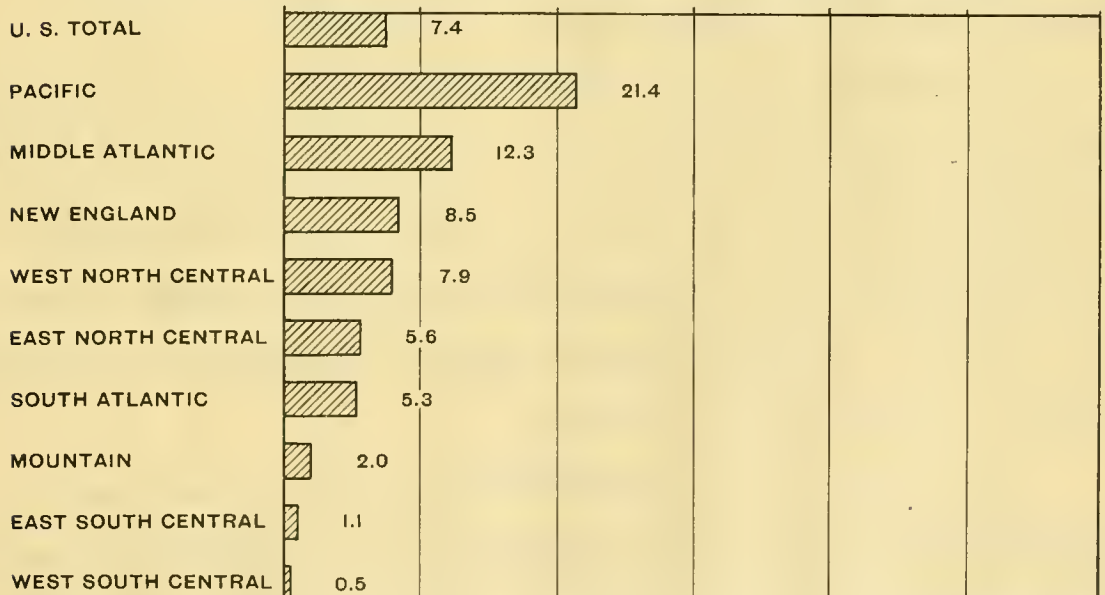


CHART 2. RETAILER COOPERATIVE WAREHOUSES BY GEOGRAPHIC DIVISIONS
NET SALES, PERCENT OF TOTAL FOR ALL FULL LINE GROCERY MERCHANTS



DEGREE OF COOPERATIONVoluntaries.

The degree to which voluntary-group wholesalers sold to cooperating retailers is shown in Table 4. Only 30 of the 584 establishments reported that 90 percent or more of their 1935 sales were to members, while a total of 207 stated that 50 percent or more of their business was of this nature. It is significant to note that 340 establishments with net sales of \$349,882,000 definitely indicated that less than one-half of their business was with cooperating retailers. Information on degree of cooperation could not be furnished by 37 houses but for the remaining 547, group merchandising accounted for 38.7 percent of total sales. Assuming that this ratio held true for all voluntaries, the total was approximately \$223,693,000 for the year 1935.

Expenses Decrease With Increased Group Merchandising.

In general, operating expenses decreased with an increase in group merchandising. The lowest expense ratio is found for those with 90 percent or more cooperation (8.3%), from which it increased consistently (see Table 4) to 11.5 percent for the 157 establishments with 10 to 30 percent of their sales to members. The ratio dropped slightly to 11.3 percent for those with less than 10 percent group merchandising.

The number of outside salesmen per \$1,000,000 in sales shows a consistent decrease as the group merchandising ratio increased. Voluntaries selling less than ten percent to members employed an average of slightly less than 11 salesmen for each million dollars of sales as compared with four per million for establishments on a 90 percent or more group merchandising basis. The number of inside salesmen per million dollars of sales, on the other hand, tended to increase as the portion of the business with group members rose.

TABLE 4.—VOLUNTARY GROUP WHOLESALERS CLASSIFIED ACCORDING TO PERCENTAGE OF 1935 SALES TO COOPERATING RETAILERS

Percentage of sales to cooperating retailers	Number of establishments	Net sales		Operating expenses		Salesmen per \$1,000,000 of sales	
		Total amount (add 000)	Amount to members (add 000)	Amount (add 000)	% to sales	In side	Out side
Total	584	\$578,019	\$ ---	\$53,357	10.1	1.0	8.2
Total reporting percentage	<u>547</u>	<u>520,940</u>	<u>201,591</u>	<u>53,507</u>	<u>10.3</u>	<u>1.0</u>	<u>8.3</u>
90 percent or more	30	31,837	29,793	2,629	8.3	1.7	3.9
70 to 90 percent	61	57,990	44,412	5,370	9.3	0.9	6.5
50 to 70 percent	116	81,231	44,992	7,643	9.4	0.9	7.3
30 to 50 percent	157	139,441	51,220	13,793	9.9	1.1	7.8
10 to 30 percent	157	154,331	28,809	17,743	11.5	1.0	10.0
Less than 10 percent	26	56,060	2,352	6,322	11.3	0.4	10.7
Not reporting percentage	37	57,079	---	4,850	8.5	1.2	7.3

Cooperatives

A study of the individual reports of cooperatives revealed that slightly more than nine-tenths (91.1%) of all sales were to retail members. Of the 157 establishments, 89 reported that all of their sales were to members, 27 stated that 90 to 99 percent of their business was of this nature, while only 35 indicated that more than 10 percent of their business was with non-members. Six houses failed to report on the inquiry.

CREDIT SALES

Cooperatives and voluntaries are analyzed in Table 5 according to the percentage of their sales which were made on a credit basis including open account, commercial paper, installment, or other than strictly cash or c.o.d. basis. In considering the relation between costs and credit business it should be remembered that services frequently run together and that it is next to impossible to isolate the influence of any particular one. High percentage of

credit, for example, is commonly associated with a high percentage of delivery and vice versa. The reader is cautioned that the control in Table 5 is on the basis of credit business and that the apparent effect of changes in credit ratio upon costs may be due in part to the accompanying services or the lack thereof.

Expenses for cooperatives selling entirely on credit, 24 establishments with sales of \$24,057,000, amounted to 6.6 percent of sales in contrast to 4.1 percent for the 31 cooperatives which definitely stated that they did not grant credit. Voluntaries selling 100 percent on credit had an expense ratio of 11.0 as compared with 8.4 for those which sold less than 50 percent (average of 27.4%) on a credit basis. The expense ratio for each type decreased consistently as the percentage of cash business increased. The 6.6 percent for cooperatives selling 100 percent on credit decreased to 5.5 percent for those granting credit on 50-99 percent of their business and to 4.6 for those selling less than 50 percent on such a basis. As stated above, the ratio was 4.1 for those selling strictly for cash. Credit information was not given for 27 cooperatives.

For voluntaries, the expense ratio of the 100 percent credit houses was 11.0 from which it dropped slightly to 10.8 for those in the 75-99 percent credit bracket; to 9.2 for those in the 50-74 range; and, as stated above, to 8.4 for those selling more than 50 percent for cash. Ninety-five voluntaries either failed to state their credit policies or they sold entirely for cash.

In view of the economies to be obtained from a cash business, it is significant to note that only 31 of the 130 cooperatives analyzed were on a strictly cash basis, while 83 sold less than 50 percent for cash, but generally limited credit to a short period, in many cases only seven days. This would indicate that retailers are accustomed to buying on credit and

that they fail to take advantage of the premiums offered for cash payment, even when purchasing through their own warehouses.

TABLE 5.--CREDIT SALES*

Type Credit business	Number of estab- lish- ments	Net sales (add 000)	Total expenses		Credit sales	
			Amount (add 000)	Percent to sales	Amount (add 000)	Percent of net sales
Retailer-cooperative warehouses	157	\$144,063	\$7,475	5.2	---	---
All sales on credit	24	24,057	1,578	6.6	24,057	100.0
50-99 percent credit	59	58,053	3,164	5.5	51,044	87.9
1-49 percent credit	16	9,474	435	4.6	1,900	20.1
No credit business	31	41,925	1,725	4.1	---	---
Credit policy not stated	27	10,554	573	5.4	---	---
Voluntary-group wholesalers	584	578,019	58,357	10.1	---	---
All sales on credit	46	41,596	4,560	11.0	41,596	100.0
75-99 percent credit	304	343,000	37,212	10.8	314,690	91.7
50-74 percent credit	64	49,404	4,558	9.2	32,447	65.7
1-49 percent credit	75	65,278	5,515	8.4	17,891	27.4
Credit policy not stated	95	78,741	6,512	8.3	---	---

* The control in this table is on the basis of percent credit only (see text).

OPERATING EXPENSES

Frequency Distribution -- Cooperatives

Cooperatives show a wide variation in their expense (including pay roll) as portrayed in Table 6. Here, the 157 establishments are classified according to expenses as a percent to sales into: under 2 percent, 2-3, 3-4, etc. It is interesting to note that costs ranged from under 2 percent for 6 establishments to 10 percent or over for a similar number of warehouses. The largest volume of sales is found in the group from 3 to 4 percent with \$33,368,000 or 23.2 percent of the total, while the largest number of establishments (32) is found in the 5 to 6 group.

These ratios suggest that, by rendering a minimum of services, cooperative warehouses can be operated at extremely low costs but that, when numerous functions such as granting credit and delivering are added, total expenses of the few houses approximate those of service wholesalers. By the use of Table 6, it is possible to compute average expenses that are not unduly influenced by the extremely high or the extremely low cost establishments. The table also permits the spotting of the more nearly typical expense figure.

TABLE 6.—FREQUENCY DISTRIBUTION OF OPERATING EXPENSE RATIOS
RETAILER-COOPERATIVE WAREHOUSES

Expenses (including pay roll) percent to sales	Number of establish- ments	Net sales	
		Amount (add 000)	Percent of total
Total	157	\$144,063	100.0
Under 2	6	3,198	2.2
2-2.9	17	16,004	11.1
3-3.9	28	33,368	23.2
4-4.9	23	23,563	16.4
5-5.9	32	27,923	19.4
6-6.9	18	21,667	15.0
7-7.9	15	5,110	3.5
8-8.9	7	6,788	4.7
9-9.9	5	3,334	2.3
10 and over	6	3,108	2.2

Business-Size Groups.

Operating expenses for the larger voluntaries, those with annual sales of \$2,000,000 or more each, were substantially higher than for similar establishments with sales of from \$200,000 to \$499,999 (see Table 7). Houses with the lowest expense ratio are found in the \$200,000 to \$299,999 group at 8.7 and, except for the \$1,000,000 to 1,999,999 bracket, there was a

consistent increase for the upper brackets. Stated differently, whereas it cost a \$5,000,000 house \$12.30 to market a representative bill of goods amounting to \$100, a similar bill could be marketed by an establishment in the size group \$200,000 to \$299,999 for \$8.70, on the average. For establishments with sales of \$300,000 to \$499,999, the rate was \$9.50, and for \$500,000 to \$999,999 houses, it was \$9.70.

The increase in the larger brackets is attributable in a large measure to increases in pay roll per dollar of sales. The pay roll ratio parallels very closely the total expense ratio, of which it is the major factor, the lowest being in the \$200,000 to \$299,999 bracket, and the highest for the \$2,000,000 and over houses. As will be shown in a later table, the higher pay roll ratio resulted in part from higher wage rates rather than less sales per employee.

Stocks on hand expressed as a percent to net sales, in contrast to pay roll ratio, is higher for the smaller establishments and decreases irregularly to a low of 11.1 percent for the extremely large houses. These figures indicate that pay roll is much more important in the control of operating expenses than is inventory.

Cooperatives.

Unlike voluntaries, the cooperatives show little variation in expenses by size, with a tendency toward lower costs in the larger brackets. The highest ratio for this type is found in the \$200,000 to \$499,999 size group at 5.4, from which it recedes slightly but consistently with increase in size to 5.1 for the over \$2,000,000 size group. Pay roll does not loom quite so importantly as an element of expense for cooperatives as it does for voluntaries.

The modal size, the bracket having the largest number of establishments, was the \$100,000 to \$399,999 group for voluntaries, while for cooperatives, it was less than one-half million dollars (\$200,000 to \$499,999 group).

TABLE 7.--SALES, EXPENSES, PERSONNEL, PAY ROLL AND STOCKS
BY BUSINESS-SIZE GROUPS

Business-size group	Number of estab- lish- ments	Net sales (add 000)	Ex- pen- ses % to sales	Active prop- rietors and firm members	Employees (full-time and part- time).Avg. for year	Pay roll per- cent to sales*	Stocks per- cent to sales
Voluntary-group wholesalers	584	\$578,019	10.1	144	21,726	6.0	13.4
\$5,000,000 and over	11	107,286	12.3	4	4,476	7.4	11.1
\$2,000,000 to \$4,999,999	43	128,413	10.0	1	5,098	6.3	13.3
\$1,000,000 to \$1,999,999	104	143,845	9.2	33	4,889	5.4	12.9
\$500,000 to \$999,999	176	122,979	9.7	47	4,502	5.5	14.8
\$300,000 to \$499,999	130	51,400	9.5	38	1,879	5.3	14.0
\$200,000 to \$299,999	70	17,769	8.7	11	604	4.6	14.8
\$100,000 to \$199,999	36	5,564	10.5	4	238	5.6	13.5
Less than \$100,000	14	763	8.8	6	40	5.6	14.
Retailer-cooperative warehouses	157	144,063	5.2	---	2,822	2.9	9.8
Over \$2,000,000	17	72,961	5.1	---	1,317	2.9	7.9
\$1,000,000 to \$1,999,999	23	32,649	5.2	---	586	2.7	11.6
\$500,000 to \$999,999	27	18,759	5.3	---	438	3.2	12.4
\$200,000 to \$499,999	45	15,221	5.4	---	341	2.9	10.7
\$100,000 to \$199,999	24	3,347	5.3	---	103	3.0	10.2
Under \$100,000	21	1,126	5.0	---	40	3.1	17.0

* Includes no compensation for proprietors and firm members of unincorporated businesses.

EXPENSES ANALYZEDVoluntaries.

To provide a better understanding of operating costs, each establishment was asked to analyze its expense accounts and to report administrative, selling, delivery, occupancy and miscellaneous expenses separately. Such an analysis is shown for voluntaries by business-size groups in Table 8. As 91 houses were unable to supply the desired information from their accounts or on the basis of carefully prepared estimates, data are presented for only 493 establishments.

The average cost of marketing a representative bill of goods amounting to \$100, for the 493 establishments as a whole, was \$9.90 divided as follows: administrative expenses \$2.60; selling \$2.70; delivery \$1.30; warehousing \$1.50; occupancy \$.80; and "other expenses" \$1.00. With some irregularities, the larger houses had higher selling, delivery, and warehousing costs but lower occupancy (rent; maintenance labor; water, heat, light and power; building repairs and supplies, etc.) and "other expenses" per dollar of sales.

Administrative expenses show little variation with size of house, the ratio being constant at 2.7 for all groups over \$300,000. Selling expenses increase in the upper bracket. The fact that they are composed largely of salesmen's salaries and expenses and of advertising suggests that emphasis upon private brands or wide sales areas are possible explanations of the higher costs for the extremely large houses. Delivery expenses also increase in the higher brackets probably because the larger houses, located as a rule in population centers, make delivery on a larger portion of their sales, and because the service is rendered at more frequent intervals. When comparing

size groups, it is suggested that warehousing and occupancy expenses be combined. These expenses considered together increase with size which probably reflects higher labor and rental costs rather than more warehousing facilities, for, as shown in Table 7, inventory per dollar of sales decreases in the upper brackets.

TABLE 8.--ANALYSIS OF OPERATING EXPENSES BY BUSINESS-SIZE GROUPS

VOLUNTARY-GROUP WHOLESALERS

Business-size group	Number of establishments	Net sales (add 000)	Operating expenses (including pay roll) expressed as a percent to net sales						
			Total	Admin-istrative	Sell-ing	De-liv-ery	Ware-hous-ing	Occu-pancy	Other
Total	493	507,610	9.9	2.6	2.7	1.3	1.5	.8	1.0
\$2,000,000 and over	48	203,891	10.7	2.7	3.2	1.4	1.7	.8	.9
\$1,000,000 to \$2,000,000	98	136,036	9.2	2.7	2.1	1.2	1.5	.8	.9
\$500,000 to \$999,999	151	104,771	9.7	2.7	2.6	1.2	1.2	.9	1.1
\$300,000 to \$499,999	119	47,275	9.4	2.7	2.3	1.1	1.2	1.0	1.1
\$200,000 to \$299,999	42	10,380	9.3	2.3	2.6	.9	1.1	.9	1.5
Less than \$200,000	35	5,257	9.9	1.8	2.8	1.1	1.4	1.0	1.8

Cooperatives.

Of the 157 cooperatives, 121 with sales amounting to \$116,604,000 analyzed their expenses. The total expenses of these 121 establishments amounted to \$6,257,000 or 5.4 percent of sales; thus their costs were slightly higher than average for the 157 houses as shown in Table 2.

Cooperatives, as explained above, vary materially in the services which they render. Some operate very much as full-service wholesalers while others merely warehouse a limited number of items which the retailer must call for and for which he must pay cash. Those with the least services showed only two items of expense--administrative (2.0% of sales) and a combined figure for warehouse and occupancy (1.3% of sales). Inasmuch as these two costs must

be incurred by all cooperatives with warehouses, it would appear than 3.5 percent represents approximately the minimum expense ratio attainable, except where drop shipping is a substantial factor or unless some services are available without charge or on a self-sustaining basis.

Selling expenses of the houses (79 in all) which performed this function in part amounted to 1.0 percent of sales, while delivery expenses (82 houses) amounted to 0.8 percent of sales. No information was available on the percentage of sales that were delivered.

EMPLOYMENT AND PAY ROLL

On the 1935 wholesale questionnaire each establishment was asked to analyze its employment and pay roll for a selected week. Provision was made for dividing the paid employees into six classes: executives and salaried corporation officers, office and clerical employees, inside salesmen, outside salesmen (including missionary and good-will representatives), warehousemen and "other employees". The number and pay roll of each class for one week, full-time and part-time employees separately, were called for. The week ending October 26, 1935 was suggested as a representative period but, where due to peculiarities of an individual concern's operations, this week was not representative, an establishment was requested to choose another week in its busy season and to report for such period.

Voluntaries.

The 584 voluntaries reported 21,726 full-time and 265 part-time employees for the week or a combined total of 21,991. It is evident from these figures that employment for this type of wholesaler is characteristically full-time, part-time employees representing less than two percent of the total. The total of 21,991 for the week is only slightly higher than the average of 21,684 for the year, as given in Table 1, thus showing that employment is fairly regular throughout the year.

Of the 21,726 full-time employees, 20,631 were classified by occupational groups as follows: executives and salaried corporation officers, 879; office and clerical 5,073; inside selling 643; outside selling 4,434; warehousemen 7,431, and "other employees" 2,121. Warehousemen were most numerous for both full-time and part-time. Salesmen, full-time and part-time, outside and inside combined, numbered 5,144, or 24.6 percent of all employees analyzed.

As was to be expected, the average weekly wage was highest for executives and corporation officers (full-time) at \$97, followed by outside salesmen at \$44, inside salesmen \$32, office and clerical \$26, warehousemen \$22 and "other employees" at \$21. The "other" classification is composed of two general types: (a) those performing duties which could not be classified properly elsewhere (maintenance employees, charwomen, elevator operators, truck drivers, etc.), and (b) those performing functions falling within two or more of the other classifications, no one of which dominated.

Cooperatives.

One feature which distinguishes cooperatives sharply from voluntaries is the smaller number of salesmen employed by the former. Whereas salesmen, outside and inside combined, accounted for 24.6 percent of the total classified for voluntaries, they represent less than ten percent for the cooperatives. On the other hand, warehousemen accounted for 47.8 percent of the total for cooperatives as compared with 36.2 percent for voluntaries.

That less emphasis is placed by cooperatives upon soliciting and selling is further evidenced by the fact that they pay their salesmen, both inside and outside, less per week than do the voluntaries. Other classes of employees are paid approximately the same by the two types -- the voluntaries paying their executives slightly more, while the cooperatives pay slightly higher for office and clerical employees and for warehousemen.

TABLE 9.--EMPLOYMENT AND PAY ROLL FOR WEEK ENDING OCTOBER 26, 1935
BY OCCUPATIONAL GROUPS

A - VOLUNTARY-GROUP WHOLESALERS

Class of employee	Full-time employees pay roll for one week			Part-time employees	
	Number	Amount	Average weekly wage per employee	Number	Pay roll for one week
Total	21,726	\$675,950	\$31	265	\$3,327
Executives and salaried corporation officers	879	85,099	97	11	256
Office and clerical	5,073	133,626	26	22	192
Inside selling	643	20,770	32	14	118
Outside selling	4,484	198,005	44	3	34
Warehousemen	7,481	163,355	22	106	1,570
Other employees	2,121	44,830	21	105	1,133
Not classified (52 estab- lishments)	1,045	30,265	29	4	24

B - RETAILER-COOPERATIVES

Total	2,807	82,316	29	78	879
Executives and salaried corporation officers	180	15,760	88	6	97
Office and clerical	811	21,947	27	17	150
Inside selling	103	2,966	29	1	6
Outside selling	153	5,572	36	2	40
Warehousemen	1,310	30,025	23	42	479
Other employees	183	4,965	27	10	107
Not classified	67	1,081	16	--	---

Employees by Business-Size Groups - Voluntaries.

Detailed information on full-time employment and pay roll of voluntary-group wholesalers is given by business-size groups in Table 10. For each class of employee, the number of establishments in each size-group reporting such employees is given together with the number of employees and the average weekly wage. The average annual sales are also given for each occupational group by size of establishment. It should be noted that the average sales figures relate only to those establishments reporting such personnel. For example, the \$1,783,000 per executive in the \$5,000,000 and over group is based upon the information furnished by the 9 houses in this size group reporting executives. Likewise, the average sales per salesman represents the total sales of houses reporting salesmen divided by the number of such employees.

It is apparent from this table that, as a rule, the larger voluntaries pay higher wages on the average and that, with some exceptions, the wage rates decrease with size of business. This general rule holds not only for the higher paid employees such as corporation officers or outside salesmen but also for office personnel and for warehousemen. Higher average wage rates in the larger size brackets are a partial explanation of the higher costs for the larger establishments. It should not be assumed, however, that size alone is responsible for higher wage rates, for the larger establishments are more likely to be located in the larger cities where rates are higher in general.

The average pay for executives and corporation officers, all size-groups combined, was \$97 per week ranging from a high of \$213 for the largest size group down to \$50 for the one establishment in the under \$100,000 group which analyzed its employment. Significant economies in employment of

executives are noted when their number is related to annual sales. Establishments in the \$300,000 to \$499,999 class, for example, employed one executive for each \$198,000 in sales. For the next largest size group, however, the average was \$324,000. The \$5,000,000 and over class engaged one executive for each \$1,783,000 in sales.

The extremely large houses show largest sales per executive and per inside salesmen while for other classes of employees, smaller size groups have a more favorable average. For office and clerical employees, the highest rate is the \$1,000,000 to \$1,999,999 group at \$123,000, which group also has the highest rate for outside salesmen at \$148,000 and for "other employees" at \$181,000. Smaller houses show greater productivity per warehouseman.

TABLE 10.—FULL-TIME EMPLOYEES AND THEIR PAY ROLL
BY OCCUPATIONAL CLASSES AND SIZE OF
ESTABLISHMENT

Voluntary Group Wholesalers Only

(Figures are for week ending October 26, 1935)

Class of employee Business-size group	Establishments reporting such employees	Number of full-time employees	Average weekly wage	Average annual sales per full-time employee
Total analyzed	532	20,681	\$31	—
\$5,000,000 and over	11	4,481	34	—
\$2,000,000 to \$4,999,999	43	5,075	31	—
\$1,000,000 to \$1,999,999	97	4,542	35	—
\$500,000 to \$999,999	153	4,071	30	—
\$300,000 to \$499,999	125	1,826	27	—
\$200,000 to \$299,999	49	414	28	—
\$100,000 to \$199,999	35	232	25	—
Under \$100,000	14	40	23	—

TABLE 10. --(CONTINUED) FULL-TIME EMPLOYEES AND THEIR PAY ROLL
BY OCCUPATIONAL CLASSES AND SIZE OF
ESTABLISHMENT

Voluntary Group Wholesalers Only

(Figures are for week ending October 26, 1935)

Class of employee Business-size group	Establishments reporting such employees	Number of full-time employees	Average weekly wage	Average annual sales per full-time employee
<u>Executives and salaried corporation officers, total</u>	<u>359</u>	<u>879</u>	<u>\$97</u>	<u>\$ 493,000</u>
\$5,000,000 and over	9	44	213	1,783,000
\$2,000,000 to \$4,999,999	40	151	127	800,000
\$1,000,000 to \$1,999,999	83	220	110	524,000
\$500,000 to \$999,999	109	240	78	324,000
\$300,000 to \$499,999	85	173	58	193,000
\$200,000 to \$299,999	20	33	55	152,000
\$100,000 to \$199,999	12	17	56	112,000
Under \$100,000	1	1	50	50,000
<u>Office and clerical, total</u>	<u>492</u>	<u>5,073</u>	<u>26</u>	<u>102,000</u>
\$5,000,000 and over	11	1,228	30	87,000
\$2,000,000 to \$4,999,999	42	1,311	25	96,000
\$1,000,000 to \$1,999,999	97	1,083	27	123,000
\$500,000 to \$999,999	156	926	25	119,000
\$300,000 to \$499,999	116	394	23	117,000
\$200,000 to \$299,999	40	83	22	122,000
\$100,000 to \$199,999	26	42	22	93,000
Under \$100,000	4	6	23	53,000
<u>Inside salesmen, total</u>	<u>191</u>	<u>643</u>	<u>32</u>	<u>333,000</u>
\$5,000,000 and over	4	22	43	1,084,000
\$2,000,000 to \$4,999,999	25	241	30	307,000
\$1,000,000 to \$1,999,999	46	155	36	420,000
\$500,000 to \$999,999	49	92	28	334,000
\$300,000 to \$499,999	35	86	26	160,000
\$200,000 to \$299,999	15	24	22	153,000
\$100,000 to \$199,999	10	12	26	123,000
Under \$100,000	6	11	22	31,000
<u>Outside salesmen, total</u>	<u>500</u>	<u>4,484</u>	<u>44</u>	<u>102,000</u>
\$5,000,000 and over	11	1,122	49	96,000
\$2,000,000 to \$4,999,999	43	973	53	132,000
\$1,000,000 to \$1,999,999	95	880	45	143,000
\$500,000 to \$999,999	154	932	39	117,000
\$300,000 to \$499,999	115	338	34	117,000
\$200,000 to \$399,999	45	117	36	97,000
\$100,000 to \$199,999	30	61	31	76,000
Under \$100,000	7	11	30	34,000

TABLE 1C.--(CONTINUED) FULL-TIME EMPLOYEES AND THEIR PAY ROLL
BY OCCUPATIONAL CLASSES AND SIZE OF
ESTABLISHMENT

Voluntary Group Wholesalers Only

(Figures are for week ending October 26, 1935)

Class of employee Business-size group	Establishments reporting such employees	Number of full-time employees	Average weekly wage	Average annual sales per full-time employee
<u>Warehousemen, total</u>	<u>505</u>	<u>7,481</u>	<u>\$22</u>	<u>\$72,000</u>
\$5,000,000 and over	11	1,836	24	58,000
\$2,000,000 to \$4,999,999	41	1,811	20	67,000
\$1,000,000 to \$1,999,999	97	1,711	22	77,000
\$500,000 to \$999,999	153	1,361	24	79,000
\$300,000 to \$499,999	118	566	19	82,000
\$200,000 to \$299,999	46	115	19	101,000
\$100,000 to \$199,999	32	72	17	69,000
Under \$100,000	7	9	18	45,000
<u>Other employees, total</u>	<u>314</u>	<u>2,121</u>	<u>21</u>	<u>133,000</u>
\$5,000,000 and over	4	229	29	154,000
\$2,000,000 to \$4,999,999	34	588	23	172,000
\$1,000,000 to \$1,999,999	65	493	23	181,000
\$500,000 to \$999,999	94	520	19	128,000
\$300,000 to \$499,999	73	219	19	134,000
\$200,000 to \$299,999	25	42	21	145,000
\$100,000 to \$199,999	17	28	14	97,000
Under \$100,000	2	2	17	75,000

COMMODITY SALES

Each cooperative or voluntary group wholesale establishment was asked to analyze its sales by commodities and show such items as sugar, flour, coffee, etc., separately. Of the 584 voluntaries, 200 were able to supply satisfactory commodity information. Net sales of the 200 establishments amounted to \$185,738,000 or 32.1 percent of sales for all voluntaries. Correspondingly, 69 of the 157 cooperatives supplied commodity data. Sales of the 69 amounted to \$72,843,000 or 50.6 percent of the total for the classification. The commodity analysis for each type is presented in Table 11.

Canned foods consisting of canned fruits, vegetables, meats, milk, etc. constituted the most important commodity line for voluntaries, accounting for one-third (32.6%) of all sales. Sales of sugar represented 10.1 percent of the total followed in turn by flour (5.6%); cigars, cigarettes and tobacco (5.2%); coffee (4.9%); soap and toilet preparations (3.6%); and confectionery (2.1%). Miscellaneous groceries consisting of cereal preparations, extracts and spices, lard substitutes and cooking fats, nuts, oleomargarine and butter substitutes, pickles and preserves, rice, tea, etc. accounted for 24.2 percent of all sales. Other items each represented less than 2 percent of the total.

Some establishments either did not handle many of the items listed in Table 11 or were unable to segregate the sales thereof. The first percentage column in the table shows the ratio of sales of each commodity to the total net sales of only those houses which report its sales. For example, only 165 of the 200 voluntaries included in the table reported sales of confectionery. For these 165 houses, confectionery amounted to 2.5 percent of the net sales. Stated differently, not all voluntaries handled confectionery but for those which did, this commodity line accounted for 2.5 percent of sales. Similarly, not all houses reported the sale of flour, but for those that did, this item represented 6.2 percent of their total sales.

Commodity information is presented in part B of the table for co-operatives. The range of commodities handled by this class of establishment is, if anything, slightly broader than it is for voluntaries as they reported sales of 15 non-food items, each amounting to 0.1 percent or more of total sales, as compared with 11 for voluntaries.

The data presented in Table 11 provides wholesale grocery houses with suggestions for balancing sales emphasis and for the eliminating of lines. By comparing their sales ratios with those given in this table, the various

houses can see how they differ from the group, as a whole, as the table shows how many of the total number of wholesalers analyzed handle a given line of merchandise and the importance of each line.

TABLE 11.—COMMODITY SALES

A - VOLUNTARY-GROUP WHOLESALERS

(Only establishments reporting sales by commodities are included in this table)

Commodity	Establishments reporting sale of commodity Number	Sales of specified commodity Net sales (add 000)	Sales of specified commodity (add 000)	Commodity sales, percent of Total Net sales	
				Net sales	net sales
<u>Total</u>	200	\$185,738	\$185,738		100.0
<u>Bakery products</u>	64	67,300	1,611	2.3	.9
<u>Beer and other fermented malt liquors</u>	30	34,692	1,096	3.2	.6
<u>Butter and cheese</u>	83	97,790	2,044	2.1	1.1
<u>Canned foods</u>	200	185,738	60,611	32.6	32.6
Canned fruits	193	174,773	13,754	7.9	
Canned vegetables	193	174,773	22,092	12.6	
Canned fish and sea foods	190	173,520	7,277	4.2	
Canned meats	184	170,141	3,135	1.8	
Canned milk	189	172,280	6,747	3.9	
Other canned foods	140	134,939	4,796	3.6	
Not itemized	7	10,965	2,810	25.6	
<u>Coffee</u>	194	184,229	9,046	4.9	4.9
Green	13	33,384	296	.9	
Roasted	178	163,370	7,474	4.6	
Not itemized	15	19,537	1,276	6.5	
<u>Confectionery</u>	165	154,884	3,870	2.5	2.1
Candy	155	135,422	2,500	1.8	
Chewing gum	142	128,626	706	.5	
Other confectionery	28	30,694	264	.9	
Not itemized	10	15,969	400	2.5	
<u>Dairy and poultry products, except butter and cheese</u>	24	26,923	729	2.7	.4
<u>Fish and sea foods</u>	45	62,516	626	1.0	.3
<u>Flour</u>	189	167,277	10,377	6.2	5.6
<u>Fruits and vegetables, fresh</u>	48	44,836	3,179	7.1	1.7
<u>Groceries (except as listed)</u>	200	185,738	44,911	24.2	24.2
Cereal preparations	134	177,506	9,002	5.1	
Extracts and spices	171	173,406	2,459	1.4	
Lard substitutes and cooking fats	167	133,872	3,366	2.5	
Nuts (all kinds)	148	151,353	2,457	1.6	
Oleomargarine and other butter substitutes	38	36,742	517	1.4	
Pickles, preserves, jellies & sauces	183	169,831	6,693	3.9	
Rice	180	160,153	1,646	1.0	

TABLE 11.--(CONTINUED) COMMODITY SALES

A - VOLUNTARY GROUP WHOLESALERS

(Only establishments reporting sales by commodities are included in this table)

Commodity	Establishments reporting sale of commodity		Sales of specified commodity (add 000)	Commodity sales, percent of	
	Number	Net sales (add 000)		Net sales	net sales
Teas	169	\$173,646	\$ 6,219	3.6	
Other groceries	108	120,784	12,513	10.4	
Not itemized	2	270	39	14.4	
<u>Meat and meat products</u>	62	54,452	914	1.7	5
<u>Soft drinks</u>	76	90,189	1,172	1.3	6
<u>Sugar</u>	193	182,024	18,687	10.3	10.1
<u>Wines and spiritous liquors</u>	7	20,886	2,058	9.9	1.1
<u>Other food and related products</u>	15	25,210	2,959	11.7	1.5
<u>Non-food commodities</u>					
Feed	14	10,132	176	1.7	.1
Clothing and furnishings, men's and boys'	15	11,828	264	2.2	.1
Notions	8	8,337	100	1.2	.1
Drugs and drug sundries	46	37,194	270	.7	.1
Soaps and toilet articles and preparations	116	111,179	6,613	5.9	3.6
House furnishings	3	4,260	100	2.3	.1
Hardware	14	12,004	592	4.9	.3
Paper goods	76	56,738	1,317	2.3	.7
Stationery and stationery supplies	21	22,431	172	.8	.1
<u>Cigars, cigarettes and tobacco</u>	125	96,671	9,592	9.9	5.2
Cigars	81	55,612	718	1.1	
Cigarettes	85	70,469	3,975	5.6	
Tobacco	82	69,001	1,858	2.7	
Not itemized	35	22,207	3,041	13.7	
<u>Miscellaneous groups of commodities</u>	11	10,478	904	8.6	7.6
<u>All other commodities</u>			1,071		5
Receipts from services	62	71,601	677	.9	.4

TABLE 11.--(CONTINUED) COMMODITY SALES

B - RETAILER-COOPERATIVE WAREHOUSES

(Only establishments reporting sales by commodities are included in this table)

Commodity	Establishments reporting sale of commodity	Net sales (add 000)	Sales of specified commodity (add 000)	Commodity sales, percent of	
				Net sales	Total net sales
<u>Total food and related commodities</u>	69	\$72,843	\$72,843		100.0
<u>Bakery products</u>	19	22,810	834	3.7	1.1
<u>Beer and other fermented mal</u>					
liquors	11	14,143	442	3.1	.6
<u>Butter and cheese</u>	45	55,615	2,808	5.0	3.8
<u>Canned foods</u>	63	72,843	22,434	30.8	30.8
Canned fruits	66	72,523	5,612	7.7	
Canned vegetables	65	72,329	6,748	9.3	
Canned fish and sea foods	60	69,386	2,472	3.6	
Canned meats	62	71,785	1,442	2.0	
Canned milk	62	70,911	3,248	4.6	
Other canned foods	43	57,491	2,548	4.4	
Not itemized			364		
<u>Coffee</u>	68	72,479	3,745	5.2	5.1
Green	5	8,953	82	.9	
Roasted	67	71,478	3,663	5.1	
<u>Confectionery</u>	59	68,015	1,271	1.9	1.7
Candy	54	66,297	746	1.1	
Chewing gum	44	66,254	355	.5	
Other confectionery	16	21,447	128	.6	
Not itemized			42		
<u>Dairy and poultry products</u>					
(except butter and cheese)	18	33,288	906	2.7	1.2
<u>Fish and sea foods</u>	28	31,981	275	.9	.4
<u>Flour</u>	62	71,307	3,688	5.2	5.1
<u>Fruits and vegetables, fresh</u>	13	17,369	656	3.8	.9
<u>Groceries (except as listed)</u>	69	72,843	15,618	21.4	21.4
Cereal preparations	58	68,748	3,866	5.6	
Extracts and spices	60	66,367	995	1.5	
Lard substitutes and cooking fats	49	57,927	1,129	1.9	
Nuts (all kinds)	50	61,891	632	1.0	
Butter substitutes	12	13,525	215	1.6	
Pickles, preserves, jellies, jams and sauces	58	65,848	1,767	2.7	
Rice	61	69,587	525	.8	
Teas	63	71,512	785	1.1	
Other groceries	34	49,748	5,704	11.5	

TABLE 11.—(CONTINUED) COMMODITY SALES

B — RETAILER-COOPERATIVE WAREHOUSES

(Only establishments reporting sales by commodities are included in this table)

Commodity	Establishments reporting sale of commodity		Sales of specified commodity (add 000)	Commodity sales, percent of	
	Number	Net sales (add 000)		Net sales	Total net sales
<u>Meat and meat products</u>	26	\$29,385	\$2,079	7.1	2.9
<u>Soft drinks</u>	34	51,086	745	1.5	1.0
<u>Sugar</u>	67	72,451	6,911	9.5	9.5
<u>Wines and liquors</u>	9	11,814	966	8.2	1.3
<u>Other food and related products</u>	8	19,312	1,161	6.0	1.6
<u>Non-food commodities</u>					
Feeds	3	3,634	311	8.6	.4
Grains	3	2,721	111	4.1	.2
Seeds (field, garden and flower)	1	2,175	55	2.5	.1
Clothing and furnishings, men's and boys'	3	4,520	192	4.2	.3
Notions	6	6,708	56	.3	.1
Shoes and other footwear	2	3,999	50	1.3	.1
Dry goods and textile products	3	4,039	50	1.2	.1
Automotive equipment, parts and accessories	6	8,693	37	.4	.1
Soaps and toilet articles	36	41,074	2,914	7.1	4.0
Wiring supplies and construction material	10	20,904	63	.3	.1
House furnishings	2	5,437	293	5.3	.4
Hardware	3	3,146	59	1.9	.1
Petroleum and its products	4	3,735	197	5.3	.3
Paper goods	21	35,288	732	2.1	1.0
<u>Cigars, cigarettes and tobacco</u>	28	40,064	2,349	5.9	3.2
Cigars	19	19,163	160	.8	
Cigarettes	22	21,850	935	4.5	
Tobacco	13	19,345	297	1.5	
Not itemized			907		
<u>All other commodities</u>	3	4,182	309	7.4	.4
<u>Receipts from services</u>			521		.7

